

“With fair trade, you get something in exchange, so it feels more equitable than some charitable donations. It’s an approach that a lot of people can relate to.”

MONIKA FIRL

Producer Relations Manager, Cooperative Coffees

fraction of their total coffee volume on fair trade terms.

“The idea was to get regular companies involved, instead of just NGOs, and certify them for whatever percentage of fair trade coffee they’re willing to buy,” said Gavin Fridell, assistant professor of political science at Trent University and author of the 2007 book *Fair Trade Coffee: The Prospects and Pitfalls of Market-Driven Social Justice*.

TransFair Canada, the only third-party certifier of fair trade products in Canada, audits transactions between companies offering Fair Trade Certified products and the international suppliers they buy from. It was founded in 1994 and given its first certification seal in 1997. While 13 commodities are now certified, including sugar, cocoa, and bananas, coffee remains the backbone of the market and the most recognizable fair trade product.

“People tend to be very passionate about coffee,” Firl explained. “There’s a whole culture around it, and it’s a more personal relationship than with other products we purchase.”

THE MARKET’S FICKLE HAND

Coffee is unquestionably big money: after oil and illegal drugs, it is the third-most valuable export commodity from the global South.

“We live in a world consumed by market ideology,” Fridell said. “Fair trade creates an avenue for people concerned with things like equity to channel their energy in a way that is compatible with global capitalism.

“But the flip side of the benefits of fair trade is that it gives the impression that the market can solve all the world’s problems.”

For one thing, fair trade constitutes only a specialized, niche market within the coffee industry.

“In 2003, there were 670 000 coffee farmer families registered with fair trade,” Fridell said. “On one hand, that’s wonderful. On the other hand, there are nearly 25 million coffee farmers worldwide. This means that we are helping less than three per cent of the world’s coffee farmers ... what about the other 97 per cent?”

Besides accounting for just a small fraction of the coffee industry, fair trade may also unintentionally support a free trade agenda. The International Coffee Agreement (ICA) between 1976 and 1989 regulated bean prices at a fixed price. The price for conventional beans under the ICA was equal to or well above what is now considered fair trade price, although the standards regarding the profits earned by middlemen were less stringent.

According to Fridell, the demise of the international regulation of all raw materials besides oil has largely been to the detriment of coffee producers. Today, coffee farmers are producing larger and larger quantities in a desperate attempt to make up for falling world market prices. But with fair trade, the onus is shifted to consumers to make a conscious decision to pay more.

“Now coffee farmers depend on the whim of Northern consumers, who are not responsible or accountable,” Fridell said. “You might buy fair trade and help a farmer who otherwise would go bankrupt, or you might not.”

STARBUCKS: FRIEND OR FOE?

As multinational corporations increasingly expand their participation within the fair trade market, fair traders have begun

to question the consequences.

“When Wal-Mart or others with histories of labour exploitation get involved, it’s leading to the end of the real credibility of fair trade,” claimed Philippe Lapointe, a student at l’Université du Québec à Montréal who worked for two years as the Quebec regional coordinator of the Canadian Students Fair Trade Network.

Buying roughly one per cent of the world coffee supply, Starbucks is a high-profile, heavily branded, and publicly traded corporation with a primarily urban and middle-class consumer base. In the early 1990s, fair trade activists began challenging Starbucks to stop buying coffee from plantations where workers were treated poorly and paid unfair wages.

Initially, Starbucks flatly refused. Yet by the mid-’90s, Starbucks decided to stake a claim in the ethical certification movement, recognizing that its consumer demographic might be sympathetic to social justice issues. It announced that it would work toward a new code of conduct for the coffee industry and began to do more direct business with medium-sized farms but didn’t show interest in selling fair trade products.

In 1999, the human-rights advocacy organization Global Exchange approached then-Starbucks CEO Howard Schultz and suggested that the company offer fair-trade-certified coffee in its stores. Starbucks was at first hesitant, voicing concerns about low quality. In response, Global Exchange organized peaceful protests in front of Seattle Starbucks stores, and a few months later, at the annual meeting of Starbucks stockholders, protesters again voiced their request.

As a result, Starbucks announced in 2000 a one-time shipment of 75 000 pounds of fair trade coffee—about 30 pounds per store—which Global Exchange promptly labelled a mere “drop in the cup.”

Later in the year, Starbucks finally agreed to offer fair trade coffee in each of its outlets, making it the largest single buyer of fair trade beans. This announcement came three days before the launch of Global Exchange’s large-scale consumer boycott against the company.

But in 2004, Starbucks announced that by 2007 close to 60 per cent of its coffee would be sourced according to its own code of conduct, leaving many to question what this code would entail. While the company usually pays at least the fair trade floor price in its transactions, it also relies heavily on brokers, meaning that farmers and plantation workers don’t necessarily benefit. As there’s minimal contact with producers, it’s unclear what share of the profits are reaped by middlemen or plantation owners.

With large roasters such as Starbucks buying only a small percentage of fair-trade-certified coffee, smaller roasters committed to 100 per cent fair trade production perceive these corporations’ efforts as little more than a marketing ploy.

Members of Cooperative Coffees have actively voiced their concerns. Composed of 22 community-based coffee roasters in Canada and the US, the cooperative’s members are committed to building and supporting equitable and sustainable trade relationships for the benefit of farmers and their families. These roasters strive to promote fair trade and sustainable development alternatives in both the North and the South.

“I don’t like seeing big companies with economic and politi-

cal clout coming in and dangling the carrot of buying large quantities of fair trade and then distorting the whole purpose of the movement,” Firl said. “They are using fair trade to improve their image with no intention of putting producers at the heart of their transactions.”

Roasters who have built their brand name around social responsibility and environmental concerns worry that fair trade will no longer be a genuine alternative to mainstream coffee consumption.

“If we are too inclusive we might spoil the mission,” Lapointe said.

Yet TransFair Canada argues that if corporate giants buy larger quantities of fair trade coffee, they will be doing more for farmers in the global South in the long-term than some of the smaller, 100 per cent fair trade roasters, due to sheer scale and monetary means.

Some coffee growers agree. Raoule del Aguila of Peru’s COCLA coffee cooperative, who spoke at the United Students for Fair Trade Convergence in Boston in 2007, sees it as a mixed blessing.

“The positive side is that, due to larger corporations, there has been increased demand for our products. The negative side is that we have to make sure that this change is sustainable. That is a challenge and a task for all of us,” he said.

Multinational corporations may recognize that fair trade is a good business strategy in the short-term, but there is no assurance that they will continue to see it that way, leaving support for fair trade in a precarious balance.

A FAIRER FUTURE?

According to Lapointe and Fridell, the student movement can play an important role in the fight to increase fair trade coffee consumption.

“Students are the ones that have time to get involved,” Lapointe said. “We should be promoting smaller companies on our campuses that sell 100 per cent of their products under fair trade terms, like Cocoa Camino and Équiterre.”

Fridell believes that university campuses should be a leader in promoting ethics in business, pointing to universities such as McMaster, as well as Collège Jean-de-Brébeuf in Quebec, which only provide fair trade coffee.

“Students have managed to force various university food providers to provide fair trade coffee,” he said. “But more important is to force the administrations to pass ethical purchasing policies so there is only a fair trade option available.”

Ultimately, fair trade holds many lessons for other industries and suppliers who seek to tap into the growing field of conscious consumerism. Forms of ethical production allow consumers an alternative to the exploitative economic relationships currently characterizing mainstream international trade.

Despite its problems and setbacks, fair trade continues to provide a valuable way for normal citizens to effect change with their money.

“There is still much merit to fair trade,” Fridell said. “Farmers are getting access to health care, education, and processing facilities. You are actually helping specific communities in the South to lead better lives.”